# Message Text

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**ACTION EUR-12** 

INFO OCT-01 IO-10 ISO-00 AF-06 ARA-06 EA-07 NEA-10 ERDA-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01

PM-04 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FEA-01

USIE-00 INRE-00 NSCE-00 SSO-00 /125 W

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O R 132100Z OCT 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 4123

INFO AMEMBASSY BERN

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY MADRID

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY LONDON

AMEMBASSY DUBLIN

AMEMBASSY WELLINGTON

USMISSION USUN

AMEMBASSY TOKYO

AMEMBASSY OTTAWA

AMEMBASSY CARACAS

AMEMBASSY BRASILIA

AMEMMASSY VIENNA

AMEMBASSY LUXEMBOURG

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY ANKARA

AMEMBASSY TEHRAN

AMEMBASSY JIDDA

AMEMBASSY NEW DELHI

AMEMBASSY KINSHASA

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#### AMEMBASSY ALGIERS

### CONFIDENTIAL SECTION 1 OF 2 PARIS 26529

E.O. 11652: GDS

TAGS: BCOM, EGEN, ENRG

SUBJECT: BILATERALS PRIOR TO PREPCON II

REF: PARIS 26524

1. FOLLOWING FURTHER EXPANDS AND SUMMARIZES POINTS OF NOTE ON INDIVIDUAL SUBJECTS THAT CAME UP IN BILATERALS REPORTED REFTEL AND IN BREAKFAST MEETING WITH ALGERIANS MONDAY MORNING:

2. TERMS OF REFERENCE - PRINCIPAL ISSUE RELATED TO TERMS OF REFERENCE FOR FINANCIAL COMMISSION. ALL OTHER DELS QUESTIONED INCLUSION IN FRENCH CONSENSUS PAPER OF WHAT THEY CONSIDERED AS RESTRICTIVE REFERENCES TO IMF/IBRD. YEGANEH (IRAN) NOTED THAT COMMISSIONS COULD VERY WELL GET INTO SUBSTANTIVE DISCUSSION OF OIL FACILITY AND BUFFER STOCK FINANCING DESPITE FACT THEY MIGHT ALSO BE DEALT WITH BY IMF/IBRD. HE ALSO BELIEVED IT NECESSARY FOR FINANCIAL COMMISSION TO BE ABLE TO DEAL WITH VARIETY OF MONETARY PROBLEMS. TAHER (SAUDI ARABIA) SAID HE THOUGHT IT WOULD SIMPLIFY MATTERS TO AVOID ANY TERMS OF REFERENCE WHATSOEVER FOR FINANCIAL COMMISSION, BUT ACKNOWLEDGED THAT OTHERS LIKE ALGERIA WOULD PROBABLY NOT GO ALONG. AIT CHAALAL (ALGERIA) EMPHASIZED THAT EACH OF FOUR COMMISSIONS SHOULD BE FREE TO DEAL WITH ALL MATTERS OF INTEREST AND EACH SHOULD HAVE EQUAL IMPORTANCE. ALGERIA WOULD INSIST THAT FINANCIAL COMMISSION NOT HAVE SUBORDINATE STATUS. FURTHERMORE, HE SAID, THERE WAS NEED FOR SOME OVERALL LINKAGE AND SOME FAIRLY SPECIFIC FRAMEWORK FOR WORK OF COMMISSIONS. IF THE MINISTERIAL CONFERENCE DID NOT COME UP WITH CLEAR DIRECTIVES, COMMISSIONS COULD RUN INTO QUESTIONS OF PRINCIPLE REGARDING SCOPE OF THEIR WORK AND CONFIDENTIAL

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THUS RUN INTO POLITICAL PROBLEMS. SANYAL (INDIA) SAID HIS DEL HAD COME UP WITH DRAFT REVISED TERMS OF REFERENCE BASED ON APRIL DISCUSSIONS AT PREPCON I, AND GAVE ROBINSON COPY OF THEIR DRAFT.

3. UNDERSECRETARY ROBINSON STRESSED TO ALL OUR ACCEPTANCE OF FRENCH CONSENSUS FORMULATION. HE NOTED THAT WE SAW IMPORTANT COORDINATING, LINKAGE FUNCTION

FOR FINANCIAL COMMISSION. RECOGNIZING ROOM FOR DIFFERENCE OF VIEW AS TO DEGREE OF PRECISION AND SPECIFICITY OF GUIDANCE FOR COMMISSIONS, HE ARGUED THAT ALL SHOULD SEEK TO AVOID INTENSIVE DEBATE AT PREPCON II. ROBINSON SUGGESTED THAT THE PARTICIPANTS SHOULD SEEK TO WORK ANY DIFFERENCES OUT BETWEEN PREPCON AND MINISTERIAL CONFERENCE. (FOLLOWING FIRST PLENARY ON MORNING OCTOBER 13, AIT CHAALAL TOLD ROBINSON HE AGREED WITH LATTER'S SUGGESTION.) TO INDIANS, UNDER SECRETARY NOTED THAT SURFACING OF DRAFT BASED ON INCONCLUSIVE APRIL DISCUSSIONS COULD SERIOUSLY COMPLICATE PREPCON II; SANYAL TOLD US OCTOBER 13 THAT, FOLLOWING HIS TALK WITH US, INDIANS HAD BACKED AWAY FROM THEIR EARLIER APPROACH ON SPECIFIC TERMS OF REFERENCE, FURTHER, ROBINSON EXPRESSED VIEW TO ALL THAT IT WOULD BE A MISTAKE TO TRY TO WORK OUT OVERLY DETAILED TERMS OF REFERENCE, AND THAT EACH COMMISSION SHOULD HAVE CONSIDERABLE FREEDOM TO DEVELOP THESE BASED ON EXPERTISE OF THE MEMBERS IN EACH COMMISSION.

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USIE-00 INRE-00 NSCE-00 SSO-00 /125 W

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O R 132100Z OCT 75
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TO SECSTATE WASHDC IMMEDIATE 4124
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- 4. SITE THERE WAS GENERAL AGREEMENT ON PARIS AS SITE FOR MINISTERIAL CONFERENCE. SAUDIS STATED WILLINGNESS TO GO ALONG WITH MAJORITY VIEW ON THE SITE FOR COMMISSIONS, BUT EXPRESSED THEIR OWN PREFERENCE FOR GENEVA. UNDER SECRETARY TOLD ALL THAT WE WOULD GO ALONG WITH MAJORITY VIEW, BUT ADDED TO SAUDIS THAT HE WOULD SUPPORT THEIR PREFERENCE FOR GENEVA IF THEY GAINED WIDER BACKING.
- 5. DATE UNDER SECRETARY TOLD ALL THAT WE WERE PROPOSING DECEMBER 16-17 FOR MINISTERIAL CONFERENCE, SINCE THESE WERE THE DATES THAT SECRETARY KISSINGER COULD BE ON HAND. NO OBJECTION WAS VOICED.
- 6. CHAIRMEN ALL INDICATED ACCEPTANCE IN PRINCIPLE OF CONCEPT OF ROTATING CO-CHAIRMEN FOR CONFERENCE AND COMMISSIONS.
- 7. TITLE GENERAL AGREEMENT WAS ALSO EXPRESSED FOR "CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION" RATHER THAN FOR ALTERNATIVE OF "CONFERENCE BETWEEN INDUSTRIALIZED COUNTRIES AND DEVELOPING COUNTRIES."

8. MEMBERSHIP - ALL THE OTHER DELS EXPRESSED CONCERN OVER POSSIBILITY THAT UK INTEREST IN INDEPENDENT PARTICIPATION AT CONFERENCE COULD UPSET PREVIOUS UNDERSTANDINGS REGARDING SIZE AND MEMBERSHIP. TAHER AND YEGANEH SAID THE "SEVEN" WERE THINKING OF FINDING 12 ADDITIONAL MEMBERS WITH FOUR EACH FROM ASIA, AFRICA, AND LATIN AMERICA. THEY THOUGHT THESE WOULD INCLUDE IRAQ, NIGERIA, INDONESIA, AND PERHAPS ONE OTHER OPEC MEMBER.

9. OBSERVERS - AIT CHAALAL AFFIRMED ALGERIAN CHANGE OF POSITION SINCE APRIL PREPCON. IT NOW HAD NO OBJECTION TO SPECIALLY INTERESTED ORGANIZATIONS CONFIDENTIAL

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(READ IEA) ATTENDING MEETING OF COMMISSIONS. HE THEN MADE STRONG ARGUMENT THAT ANY OF THE "27" SHOULD BE ABLE TO SEND REPRESENTATIVES, WITHOUT RIGHT TO SPEAK, TO MEETINGS OF ANY OF THE COMMISSIONS. HE SAID THIS WOULD BE IN ACCORD WITH USUAL PRACTICE OF INTERNATIONAL CONFERENCES. UNDER SECRETARY REITERATED OUR VIEW THAT NUMBER OF THOSE PRESENT AT COMMISSIONS SHOULD BE LIMITED FOR SAKE OF EFFICIENCY.

10. GENERAL - DISCUSSIONS IN ALL BILATERALS EMPHASIZED DESIRE ON EVERY SIDE FOR COOPERATIVE APPROACH TO MAKE DIALOGUE A SUCCESS. ALL EMPHASIZED DESIRE TO AVOID CONFRONTATION. MOST WELCOMED POSITIVE ATMOSPHERE RESULTING FROM COURSE OF SEVENTH SPECIAL UNGA, AND POSITIVE USG ROLE THEREIN. AIT CAALAL PARTICULARLY WENT OUT OF HIS WAY TO EXPRESS APPRECIA-TION FOR WHAT ALGERIANS SAW AS UNDER SECRETARY'S ROLE IN GETTING PREPCON AND DIALOGUE BACK ON TRACK. IRANIANS, SAUDIS, AND INDIANS ALL SAID THEY WANTED TO WORK WITH US TO CARRY THE EXERCISE FORWARD. WE BELIEVE THESE INITIAL BILATERALS SET A GOOD TONE. THEY WERE HELPFUL IN INDENTIFYING SOME ISSUES THAT REMAIN TO BE DEALT WITH AND IN PAYING WAY FOR AN EFFORT TO DEAL WITH THEM IN MUTUALLY ACCEPTABLE MANNER. THIS DOES NOT PREJUDGE ACTUAL DIFFICULTY OF DEALING WITH ONE SUBJECT OR ANOTHER, AND WE BELIEVE TERMS OF REFERENCE ISSUE MAY IN FACT PROVE TROUBLESOME RUSH

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

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Subject: BILATERALS PRIOR TO PREPCON II

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